

LEGISLATIVE COUNCIL BRIEF

Mandatory Provident Fund Schemes Ordinance (Cap. 485)

MANDATORY PROVIDENT FUND SCHEMES ORDINANCE

(CAP. 485) (COMMENCEMENT) NOTICE 1998

INTRODUCTION

At the meeting of the Executive Council on 21 July 1998, the Council ADVISED and the Chief Executive ORDERED that under section 1(2) of the Mandatory Provident Fund Schemes Ordinance, the Mandatory Provident Fund Schemes Ordinance (Cap. 485) A (Commencement) Notice 1998, at Annex A, should be made by the Chief Executive, to bring into operation on 24 July 1998 relevant provisions of the Ordinance relating to the establishment of the Mandatory Provident Fund Schemes Authority (MPFA).

BACKGROUND AND ARGUMENT

2. We need to appoint the MPFA to take charge of the implementation of the Mandatory Provident Fund (MPF) System. For this purpose, the Chief Executive has to appoint a commencement date for a number of essential provisions in the Ordinance* -

***Note** The Mandatory Provident Fund Schemes Ordinance was enacted in August 1995.

The Ordinance was subsequently amended by the Provident Fund Schemes Legislation (Amendment) Ordinance 1998 enacted in March 1998.

- (a) section 1, short title of the Ordinance;
- (b) section 2, which deals with definitions of terms used in the Ordinance;
- (c) section 3, which relates to the application of the Ordinance to the Government; and
- (d) section 6, which provides for the establishment of the MPFA.

3. The Financial Secretary will also make arrangements to commence corresponding provisions in the Provident Fund Schemes Legislation (Amendment) Ordinance 1998 and the Mandatory Provident Fund Schemes (General) Regulation which relate to the operation of the MPFA. The Commencement Notices which will be made by

B & C the Financial Secretary are at Annexes B and C.

4. The provisions commenced by the three Notices will empower the Chief Executive to appoint the directors of the MPFA and enable the MPFA to start preparing for the implementation of the MPF System. The Authority will be empowered to register MPF schemes, approve qualified persons and companies to be approved trustees of registered schemes, and promulgate guidelines for the administration of registered schemes.

THE COMMENCEMENT NOTICES

5. The Commencement Notice at Annex A will bring into operation sections 1, 2, 3 and 6 of the Ordinance. It is proposed that the Commencement Notice at Annex A and the related Commencement Notices to be made by the

Financial Secretary should come into effect when they are published in the Gazette on 24 July 1998.

HUMAN RIGHTS IMPLICATIONS

6. The Department of Justice has advised that the Commencement Notices have no human rights implications.

BINDING EFFECT OF THE PROVISIONS TO BE COMMENCED BY THE COMMENCEMENT NOTICES

7. Section 3 of the MPF Schemes Ordinance provides for the Ordinance to bind Government. Consequently, all subsidiary legislation made under the Ordinance is binding on Government.

FINANCIAL AND STAFFING IMPLICATIONS

8. The Finance Committee of the Provisional Legislative Council approved on 3 April 1998 the injection of \$5 billion to finance the setting up and operating costs of the MPFA. The making of the Commencement Notices, which is necessary to bring into effect certain provisions in the Ordinance for the appointment and establishment of the MPFA, has no financial or staffing implications for Government.

LEGISLATIVE TIMETABLE

9. The legislative timetable for the three Commencement Notices is as follows -

Publication in the Gazette	24 July 1998
Tabling in the Legislative Council	29 July 1998

PUBLICITY

10. A press announcement on the appointment of the MPFA Management Board will be made on 21 July 1998. Further publicity will be arranged when necessary.

Enquiries

Miss Maureen To
Assistant Director (Special Duties)
Mandatory Provident Fund Office
Tel:2918 0266

Mandatory Provident Fund Office
Financial Services Bureau
21 July 1998

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE
(CAP.485) (COMMENCEMENT) NOTICE 1998**

ANNEXES

- Annex A - Mandatory Provident Fund Schemes Ordinance (Cap. 485) (Commencement) Notice 1998
- Annex B - Provident Fund Schemes Legislation (Amendment) Ordinance 1998 (4 of 1998) (Commencement) Notice 1998
- Annex C - Mandatory Provident Fund Schemes (General) Regulation (L.N. 201 of 1998) (Commencement) Notice 1998

**MANDATORY PROVIDENT FUND SCHEMES ORDINANCE (CAP. 485)
(COMMENCEMENT) NOTICE 1998**

Under section 1(2) of the Mandatory Provident Fund Schemes Ordinance, I, after consultation with the Executive Council, appoint 24 July 1998 as the day on which sections 1, 2, 3 and 6 of the Ordinance shall come into operation.

Chief Executive

1998

**PROVIDENT FUND SCHEMES LEGISLATION (AMENDMENT) ORDINANCE
1998 (4 OF 1998) (COMMENCEMENT) NOTICE 1998**

Under section 1(2) of the Provident Fund Schemes Legislation (Amendment) Ordinance 1998, I appoint 24 July 1998 as the day on which the following provisions of the Ordinance shall come into operation -

- (a) sections 1 and 8;
- (b) section 2 (insofar as it relates to items 1 to 15, 18 (in relation to the new sections 6 to 6H and 6R to 6T), 81, 89 and 92 of Schedule 1);
- (c) items 1 to 15, 18 (in relation to the new sections 6 to 6H and 6R to 6T), 81, 89 and 92 of Schedule 1;
- (d) Schedule 7.

Financial Secretary

1998

**MANDATORY PROVIDENT FUND SCHEMES (GENERAL) REGULATION
(L.N. 201 OF 1998) (COMMENCEMENT) NOTICE 1998**

Under section 1 of the Mandatory Provident Fund Schemes (General) Regulation, I appoint 24 July 1998 as the day on which sections 1 to 8, 13 and 206 of the Regulation shall come into operation.

Financial Secretary

1998